

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HUNTERS HOLLOW)	
SEWER SYSTEM FOR A RATE ADJUSTMENT)	CASE NO.
PURSUANT TO THE ALTERNATIVE RATE)	89-272
FILING PROCEDURE FOR SMALL UTILITIES)		

O R D E R

On September 26, 1989, Bullitt Utilities, Inc. d/b/a Hunters Hollow Sewer System ("Hunters Hollow") filed an application with the Commission seeking to increase its rates pursuant to the Alternative Rate Filing Procedure for Small Utilities. The proposed rates would generate approximately \$27,554 annually in additional revenues, an increase of 84.6 percent over adjusted test-year revenues of \$32,574.

On October 9, 1989, Hunters Hollow was notified by the Commission that its application did not meet the minimum filing requirements set by regulation. Hunters Hollow cured the deficiency and met minimum filing requirements on October 25, 1989.

In January of 1990, Commission Staff conducted a field review of the test-year financial records of Hunters Hollow. Based upon this review, Commission Staff issued its report on March 27, 1990, recommending that Hunters Hollow be authorized to increase its annual operating revenues by \$24,725.

On April 13, 1990, Hunters Hollow filed a response to the Staff Report stating that, although it did not agree with all of the findings of the Staff Report, it accepted it as filed.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings contained in the Staff Report of March 27, 1990 are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A, which is attached hereto and incorporated herein, are the fair, just, and reasonable rates for service provided by Hunters Hollow and will produce annual revenues of \$57,299. These rates will allow Hunters Hollow sufficient revenues to meet its operating expenses and provide for future equity growth, including provisions for servicing its debt.

3. The rates proposed by Hunters Hollow would produce revenue increases which are unreasonable and thus inconsistent with KRS 278.030.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Hunters Hollow in its application are hereby denied.

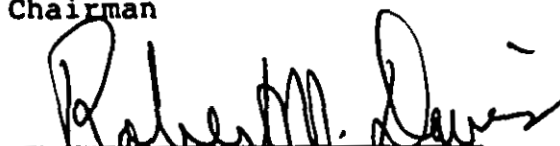
2. The rates contained in Appendix A are approved for service rendered by Hunters Hollow on and after the date of this Order.


3. Within 30 days of the date of this Order, Hunters Hollow shall file with the Commission its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 16th day of May, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-272 DATED 5/16/90

The following rates and charges are prescribed for customers of Bullitt Utilities, Inc. d/b/a Hunters Hollow Sewer System. All other rates and charges not specifically set forth herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

<u>Customer Class</u>	<u>Rate</u>
Residential	\$26.83
Commercial	\$26.83 per residential equivalent*

* The number of residential equivalents and/or fractional parts thereof shall be determined by dividing the customers average monthly water consumption in gallons by 12,000 gallons. The minimum bill for this type of service shall be \$26.83.